(b) and (c) Clause (2) of Article 276 of the Constitution would have to be amended to increase the limit for levy of profession tax. The proposal to amend the provisions of the Constitution for this purpose is under active consideration with the Government of India.

Biotechnology in food production and processing

3908. SHRI SURESH PACHOURI: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the write-up regarding prospects of biotechnology in food production and processing which appeared in the clarity of Bombay of 28th June 1987; if so, what are the details thereof, itemwise;

(b) whether it is a fact that results of research and development are not being fully utilised at present, leading to continued dependence on imports; and

(c) whether results of research and development would be effectively used in order to create employment and Gross National Product in the country?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) The Government has gone through an article published in CLARITY of Bombay on 28th June 1987 which appears to reflect the personal views of the author. The Govt. is fully aware of the advancement made and the prospects of Biotechnology in food production, and processing. The Government keeping in view, national and international developments, continuously updates the long term plans especially in area of national priority and thrust. For example in the area of ethyl alcohol production using cane molasses, Research and Development is underway for increasing the process efficiency through development of higher alcohol tolerance in the yeast, more efficient and less energy consuming process for alcohol recovery. As far as utilising the enzyme process for fructose syrups is concerned, in our country where cane sugar is produced in very large quantities the production of liquid fructose syrup is not economically viable. In the area of dairy products, the National Dairy Research Institute at Karnal had developed a microbial rennet substitute for cheese production which is under further development.

The country has achieved significant progress in the area of production and use of industrial and medicinal enzymes. A number of enzymes required to convert starch to glucose are being produced and used successfully. National Research and Development has also resulted in the development of immobilised enzymes based production of a key antibiotic intermediate, 6-APA. A number of diagnostic enzymes are being produced for clinical uses including in ELISA. The National Technology Missions are primarily meant to utilise recent scientific and technological developments in the area of biotechnology for the production of essential cell based vaccine, immunodiagnostics (based) on monoclonal antibodies) impovement of cattle breed and prouctivity using Embryo Transsfer Technology, prouction of large quantities of edible oil using high yielding coconut and oil palm based on tissue culture control of vector born diseases based on biological pest control agents, production of elite fast growing fuel wood species using tissue culture etc.

(b) No Sir. Results of National Research and Development are increasingly being utilised for large scale use.

(c) Yes, Sir.

Setting up of Finance House

3909. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has decided to set up a "Finance House" as recognised by the Vaghul Working group;

(b) what are the major recommendations of the Vaghul group and how many have been implemented so far; and

(c) whether Government would ensure that Banks undertake the work of creating a secondary market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Reserve Bank of India (RBI) has reported that it has taken a decision in principle, to set up a Finance House jointly with public sector banks and the financial institutions.

(b) The major recommendations of the Working Group on the Money Market include:—

(i) The call money and term money rates should be freed for inter-bank tranctions.

(ii) The bills system should be encouraged and the bill rediscounting market should be enlarged.

(iii) Short term commercial paper should be introduced.

(iv) A "182 Days Treasury Bill" refinance facility should be introduced.

(v) A Finance House should be set up.

(vi) Inter-bank participation certificates should be reintroduced in a modified form.

The Working Group had recognised that implementations of its recommendations would need to be done in phases.

Reserve Bank of India has already taken a series of measures to encourage bill system and enlarge the re-discounting of bills. Some of these measures are:—

(i) The maximum effective interest rate on the discounting of bills of exchange was brought down to 15.5 per cent with effect from 1st April 1987 and the ceiling on the re-discount rate for bills was raised from 11.5 per cent per annum to 12.5 per cent per annum with effect from 1st April 1987.

(ii) In the case of parties subject to the Credit Authorisation Scheme (CAS), effective 1st April, 1988, only 75 per cent of the eligible receivables would be taken into account for determining the credit limits.

(iii) Banks have been given certain discretion to sanction credit to parties covered by CAS *ad hoc* bills limits.

(iv) All parties subject to the Credit Authorisation Scheme would be required to attain a ratio of bill acceptances to credit purchases of 25 per cent by 1st April 1988.

In order to provide liquidity to the banks holdings of 182 Days Treasury Bill, a "182 Days Treasury Bill' refinance facility has been introduced.

(c) According to Reserve Bank of India the various measures being taken by it to activate the money market is expected to foster a Secondary market in money market instruments.

Arrangement with Bangladesh for purchase of Newsprint

@3910. SHRI YALLA SESI BHUSHANA RAO:

PROF. C. LAKSHMANNA:

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether there is any proposal to enter into a long-term arrangement with Bangladesh for the purchase of newsprint;

(b) if so, the total quantity of newsprint proposed to be imported from Bangladesh and its value during the current financial year; and

(c) whether newsprint is proposed to be imported from other countries also and if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI AJIT PANJA): (a) Yes, Sir.

@Previously unstarred Question 3497, transferred from 25th August 1987.